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Message Text

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47
ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOTE-00 INR-07 NSAE-00 FAA-00 L-02 /031 W
---------- 108696
P 201752Z MAY 75
FM AMEMBASSY LONDON
TO SECSTATE WASHDC PRIORITY 1309

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E.O. 11652: N/A
TAGS: EAIR, UK
SUBJ: CIVAIR - CHARTER UNDERSTANDING
REF:STATE 116605

1. IF NACA BELIEVES BRITISH ARE UNDER PRESSURE FROM ECAC TO HOLD LINE ON AFFINITIES, NACA HAS DIRECTION OF PRESSURE REVERSED. IN OUR VIEW, IT IS BRITISH PRESSURE ON OTHER ECAC MEMBER STATES WHICH KEEPS THEM SENSITIZED TO AFFINITY ISSUE. IT IS TRUE THAT IN OUR BILATERAL DEALINGS WITH BRITISH THEY FREQUENTLY CITE ECAC POLICY AS BASIS FOR THEIR RESTRICTIVE PRACTICES ON AFFINITY CHARTERS. WHAT THEY DO NOT MENTION, HOWEVER, IS FACT THAT THEY HAVE BEEN PRIMARY DRIVING FORCE TO GET ECAC TO ADOPT AND MAINTAIN (WITH VARYING DEGREES OF SUCCESS) A RESTRICTIVE POLICY DESIGNED TO DISCOURAGE AFFINITY CHARTERS. THEY HAVE DONE THIS BECAUSE THEY ARE CONVINCED THAT AFFINITY CHARTER RULES ARE DISCRIMINATORY AND DIFFICULT TO ENFORCE AND BECAUSE THEY BELIEVE THAT UNLESS EUROPEANS KEEP PRESSURE ON USG TO DEVELOP A VIABLE, LOW-COST, BULK TRAVEL CONCEPT (SUCH AS ADVANCE BOOKING CHARTERS) AS AN ALTERNATIVE TO AFFINITIES (AND INTENDED EVENTUALLY TO REPLACE THEM) THE US WILL FAIL TO MAKE PROGRESS IN THIS DIRECTION.

2. SINCE BRITISH SEE THEMSELVES AS LEADER OF ECAC EFFORTS TO DISCOURAGE AFFINITIES, THEY BELIEVE THEY MUST DEMON-
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STRATE THEY ARE TOUGHER TOWARD AFFINITIES THAN OTHER ECAC

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MEMBERS IN ORDER PREVENT BACKSLIDING BY THOSE MEMBERS WHO ARE LESS KEEN FOR THIS EFFORT AND MORE INCLINED TO BEND ECAC POLICY TO ENSURE IT DOES NOT BITE TOO DEEPLY INTO FLOW OF U.S. TOURISTS. BRITISH REALIZE OTHERS ARE "CHEATING" ON ECAC GUIDELINES BUT THEY ARE PREPARED TO LIVE WITH THIS RATHER THAN SEE ECAC EFFORT COLLAPSE WHICH THEY THINK WOULD HAPPEN IF EUROPEANS LEARNED THAT BRITISH HAD AGREED TO RELAX ITS HARD LINE ON AFFINITIES.

3. OTHER EUROPEANS WOULD QUICKLY LEARN OF ANY CHANGE IN BRITISH POLICY TOWARD AFFINITIES WHETHER THAT CHANGE WAS AGREED FORMALLY OR INFORMALLY, VERBALLY OR IN WRITING. THEREFORE, FORMAT OF ANY PROPOSAL WE MAKE TO BRITISH ON AFFINITIES IS NOT RELEVANT TO THEIR CENTRAL CONCERN WHICH IS TO DISCOURAGE AND TO BE SEEN TO DISCOURAGE AFFINITY CHARTERS. WITH REGARD TO FORMAT, HOWEVER, WE MUST POINT OUT THAT BRITISH HAVE NEVER WANTED A FORMAL, WRITTEN UNDERSTANDING ON ABC/TGC CHARTERS. THEY AGREED, RELUCTANTLY, TO MOU ONLY BECAUSE WE TOLD THEM FORMAL, WRITTEN UNDERSTANDING WAS REQUIRED BY U.S. LAW AND/OR REGULATION TO PERMIT CAB TO WAIVE DIFFERENCES BETWEEN TGC AND ABC RULES. IN VIEW OF OUR PREVIOUS STATEMENTS, TO SUGGEST TO THEM NOW THAT MOU IS NOT ESSENTIAL WOULD SERIOUSLY UNDERMINE OUR CREDIBILITY.

4. WITH REGARD TO SUGGESTION THAT BRITISH BE TOLD THAT ACCEPTANCE OF COUNTRY-OF-ORIGIN RULES ON AFFINITIES MIGHT BE A CONDITION FOR ABC'S TO OPERATE FROM UK TO US, WE MUST POINT OUT AGAIN THAT US AIRLINES PRESENTLY HOLD

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DOTE-00 INR-07 NSAE-00 FAA-00 L-02 /031 W
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OVER 75 PERCENT OF US/UK CHARTER MARKET AND EVEN DOMINATE UK - ORIGINATING ABC MARKET TO US. IN THESE CIRCUMSTANCES THREAT TO CUT OFF CHARTER SERVICES WOULD BE CONTRARY EVEN TO NARROW INTEREST OF US AIRLINES. AT THIS POINT, HOWEVER, MORE IMPORTANT CONSIDERATION IS FACT THAT WE ARE WELL INTO MAIN TRAVEL SEASON WHEN BREAKDOWN IN CHARTER SERVICES WOULD DISRUPT PLANS OF THOUSANDS OF TRAVELERS IN US AND UK. AT THIS LATE STAGE IN TRAVEL PLANNING PROCESS, WE DO NOT BELIEVE GOVERNMENTS CAN TREAT THEIR RESPONSIBILITY TO TRAVELING PUBLIC SO LIGHTLY AS TO EMPLOY THREAT OF CURTAILMENT OF CHARTER SERVICES AS ULTIMATE BARGAINING WEAPON.

5. WE STRONGLY RECOMMEND THAT USG AGREE TO EXTENSION OF MOU ON CHARTERS ON PRESENT TERMS AT LEAST THROUGH 1975 TRAVEL SEASON. IF WE ARE STILL CONVINCED THAT CHANGE IN GROUNDRULES FOR US/UK CHARTERS IS REQUIRED, WE BELIEVE WE SHOULD SEEK EARLY CONSULTATIONS WITH BRITISH, BEGINNING PERHAPS IN SEPTEMBER. IF NEGOTIATIONS ARE HELD IN TIMELY FASHION, AIRLINES, TRAVEL INDUSTRY, AND PUBLIC WILL ALL KNOW WELL IN ADVANCE THAT ARRANGEMENTS WILL BE IN PLACE FOR 1976 SEASON AND THEY CAN PLAN ACCORDINGLY.

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